
U.S. Department of Justice



United States Attorney's Office Eastern District of Virginia

Chuck Rosenberg - United States Attorney

FOR IMMEDIATE RELEASE:

June 16, 2006

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FORMER CAPITAL ONE EMPLOYEE PLEADS GUILTY TO BANK FRAUD

(**Richmond, VA**) - Breaumond W. Rhodes, age 35, of Lawrenceville, Virginia, pled guilty today in federal court to bank fraud charges. Rhodes, a former Fraud Detection Representative (FDR) with Capital One, had been hired to investigate suspicious activity on customer accounts. Chuck Rosenberg, United States Attorney for the Eastern District of Virginia, announced that Rhodes will face a maximum sentence of 30 years in prison when he is sentenced by United States District Judge Henry E. Hudson on September 22, 2006.

To properly perform their jobs, FDRs are given access to customer account information, and the ability to change information in a customer's account, though they may only lawfully make changes with a customer's permission. All account actions performed by FDRs are tracked by a Capital One computer system.

An FDR is supposed to contact the account holder and/or the credit card merchant when an account is flagged for possible fraudulent activity. When he entered his plea, Rhodes admitted that he used his position with Capital One to gain access improperly to customer accounts. Once he had accessed them, he fraudulently noted in the Capital One computer system that the fraud alert had been resolved and lifted all restrictions on the accounts. Rhodes issued new credit cards to alternate addresses of his own family and friends without the customers' knowledge or consent, and added "authorized users" to the accounts. Rhodes then retrieved the newly issued cards and caused more than \$82,000 in unauthorized purchases. To avoid detection, Rhodes also used the identification numbers of several co-workers when accessing and altering customer accounts in the Capital One computer system. After an

internal investigation uncovered the wrongdoing, Rhodes was terminated. He was indicted by a federal grand jury on February 21, 2006.

Also announcing the guilty plea is Donald Thompson, Special Agent-In-Charge, Federal Bureau of Investigation, Richmond Resident Office

Assistant United States Attorney Brian L. Whisler prosecuted the case for the U.S. Attorney's Office.

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